

# South Carolina Board of Economic Advisors

## Statement of Estimated State Revenue Impact

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**Date:** February 12, 2007

**Bill Number:** S. 189

**Author:** Gregory

**Committee Requesting Impact:** Finance

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### Bill Summary

A bill to amend Title 12, Code of Laws of South Carolina, 1976, relating to taxation, by adding Chapter 63 enacting the South Carolina Outstanding Tax Liability Garnishment Act so as to provide for garnishment on a taxpayer's salary or wages to satisfy a judgment for an outstanding tax liability, and to provide procedures and definitions applicable for this garnishment.

### REVENUE IMPACT <sup>1/</sup>

We expect this bill to have no impact on state or local revenue.

### Explanation

This bill would enact the SC Outstanding Tax Liability Garnishment Act which would provide an alternative method for governmental agencies to collect outstanding tax liabilities. Governmental agencies currently can collect any outstanding liabilities themselves, use specific collection methods as allowed under various statutes such as rescinding business licenses or tax sales for delinquent property tax liabilities, or coordinate collections activities through the setoff debt program or Governmental Enterprise Accounts Receivables procedures with the Department of Revenue. Since the proposed Outstanding Tax Liability Garnishment Act is in addition to and not in lieu of any other provision of law allowing the collection of delinquent taxes, any use of the program by governmental agencies will be voluntary and will depend on their analysis of the costs and benefits of the program. We expect this bill to have no impact on state or local revenue.

/s/WILLIAM GILLESPIE  
William C. Gillespie, Ph.D.  
Chief Economist

**Analyst:** Shuford

<sup>1/</sup> This statement meets the requirement of Section 2-7-71 for a state revenue impact by the BEA, or Section 2-7-76 for a local revenue impact, or Section 6-1-85(B) for an estimate of the shift in local property tax incidence by the Office of Economic Research.